

**Board of Finance
Regular Meeting
November 12, 2013**

Present: Chairman Ben Witte, Members Jim Fitzgerald, Dan Charest, Maria Moore, Reggie Smith, Steven Tuxbury, Alternates: Steven Roth, Joe Gareis (in at 7:24); First Selectman Dan Jerram, Bookkeeper Annie Witte, Members of the Public; Roy Litchfield, Brian Zelasko (in at 7:13); Administrative Assistant Christine Hayward (serving as recording secretary).

Chairman Ben Witte called the meeting to order at 7:00 PM.

Seating of Alternates:

All regular members were present at the meeting, no need to seat alternates.

Adoption/Revision of Agenda:

No changes or adoptions to the agenda.

Prior to the start of the meeting, Member Moore asked Chairman Witte if she could be allowed to record the meeting on audio tape. Chairman Witte gave permission to do so.

Approval of Minutes:

MOTION: by Fitzgerald, second Charest, to approve the minutes of the 10/8/2013 joint meeting as presented. Member Moore asked that the minutes be amended on page 9 to correctly capture the point she was trying to make during the discussion of whether or not a change in the "split" should go to a Town Meeting/referendum vote or whether it should be a decision made by the Boards of Finance and Selectmen. She noted that her concern was that going to a Town Meeting /Referendum vote on capital matters that can and should be determined by the elected officials was a 'dangerous route to go down *since it would mean that other capital projects, such as the school security project should also be subject to a Town Meeting/Referendum.*' Moore motioned and Witte seconded that the minutes be amended to include the additional language that clarifies why she felt it is a dangerous route.

AYE: Moore, Smith, Charest, Abstain: Fitzgerald, Tuxbury

Motion to amend passes.

MOTION: by Smith, second Fitzgerald, to approve the minutes of the September 10, 2013 as presented. Member Moore wanted to amend the minutes to include details of a discussion that had occurred during the meeting. A confusing and difficult to follow discussion then occurred regarding what Ms. Moore wished to include in the minutes; with Member Fitzgerald arguing that the comments she wished to include did not occur during the actual meeting. He insisted that the conversation was held after the meeting was adjourned. Ms. Moore stated that she had a recording and wanted to play it and have the discussion included in the minutes. Chairman Witte stated that although personal recordings of meetings are allowed, there is no obligation to include entire conversations in the minutes of a meeting. He noted that the recording secretary provides pretty solid coverage of the meetings, does a good job and captures the essence of the meeting. He did not see any need to change the minutes. Member Charest agreed that the change to the minutes that was being requested

was not a “material change to the business that was conducted. The final result of the discussion was that the minutes were approved as presented with Smith, Fitzgerald, and Witte approving the minutes as presented and Moore, Tuxbury, and Charest abstaining. Minutes approved as presented.

Opportunity for Public to Speak:

Resident Roy Litchfield spoke to the Board of Finance. He commented that at the close of the subcommittee meeting held recently to discuss the financing of the Wastewater Treatment Plant, he had opined that the Water Pollution Control Authority needed help. He clarified that he was not referring to financial assistance. Mr. Litchfield presented a brief history of what he believed to be were mistakes and misguided judgments made by the WPCA with respect to operations. He gave examples of fee structures (such as connection fees) that were used to estimate future revenues, yet were never implemented as presented. He also discussed sewer line extensions that were proposed and revenue from those connections was used to project future budgets, yet the extensions haven’t happened. Litchfield urged the Board of Finance to ask the WPCA to at least revisit their fee structure for connections; noting that Canton has connection fees of \$8,400.00.

Connecting abutters to the existing system is another area where, according to Litchfield, opportunities for growth have existed but have not been taken advantage of. He referred to the 79 units that were originally identified as abutters to existing sewer lines that were supposed to be required to connect; yet to date have not connected. Litchfield stated that what was once identified as 79 potential hook ups has now been pared down to 38 with the possibility of several of those being granted deferrals; which means that they will not have to connect. Litchfield also spoke of a case where a resident tried to get a new sewer connection rather than replace a failing septic; yet due to what he viewed as non- responsiveness and lack of direction on the part of the WPCA, the homeowner replaced his septic system rather than hooking up to sewer. Litchfield commented that the taxpayers voted twice on the funding of the Wastewater Treatment Plant; and he hoped that they would be able to vote on this again once a proposal regarding changing the “split” is agreed upon by the Boards of Finance and Selectmen. Member Moore commented on Mr. Litchfield’s discussion of the homeowner who replaced his septic rather than connect to the line. It was her understanding that this homeowner was unable to connect to the present line due to the condition of the lines. Ms. Moore questioned if there were funds available from the Town for the WPCA to borrow to use for line extensions.

Resident Brian Zelasko commented that he had past experience in Southwick, MA with sewer extensions and noted that they had a funding plan for residents. Homeowners had no choice as to whether or not they would hook up. Once connected, the homeowners were assessed an additional amount each year to pay down the loan. This loan stayed with the property and transferred to the next property owner until it was paid off. Zelasko commented that there needs to be a plan of action and it needs to be followed.

Discussion of the Funding Split:

Chairman Witte stated that the Subcommittee to investigate the funding of the WWTP had met a couple of weeks ago to begin discussion of how to proceed with respect to the current “split” of responsibility for paying down the debt incurred for the treatment plant upgrade. The consensus at that meeting seemed to be that 19% for the existing users was reasonable. The WPCA, however, feels that there is an argument for the existing users to pay less, due to the grant funding. Chairman Witte reviewed the financial impact to the average taxpayer if “the town” were to pay 81% of the total debt. Witte estimated that a homeowner with a \$200,000

assessment would pay an additional \$24.00 per year for a house assessed at \$200,000. He also noted that for this current fiscal year, using a collection rate of 97.5%, the difference between the 61% and the 19% could be absorbed by surplus revenues. The Subcommittee did not make any formal recommendations as they wanted to go back to their respective Boards and discuss options. Witte stated that the WPCA has met and they have 'approved' a 19% "split" and as additional users get connected to the system, the percentage would change. Board of Finance member Fitzgerald echoed Mr. Litchfield's remarks that the Town should vote on this matter. This should not be a decision made by the Boards alone.

Member Smith felt that there needs to be a focus on how the additional 42% the general taxpayers may be asked to pay for now could be adjusted in the future. He asked what the potential is for an additional septage contract at the WWTP; adding that revenue from another contractor could help to cover the 42%. Smith stated that until this is looked into and a definitive answer is given as to whether or not additional septage could be accommodated, he is not ready to support a 19/81 split. Chairman Witte stated that currently the users of the treatment plant are being charged an amount that was never intended to be their responsibility. The Water Pollution Control Authority will continue to charge these fees so that they can balance their budget until Town officials take action to help solve the problem. Member Smith commented that his concern is that if concessions are given regarding the WPCA's obligation to fund the debt, then the WPCA will not move forward and take any actions that could help them. Resident Zelasko commented that he was concerned that if a decision regarding altering the "split" were to go to a Town Meeting or Referendum vote, there is a strong possibility that any funding from the Town could be voted down and then what comes next? Zelasko is concerned about the possibility of a lawsuit being pursued due to the fact that "promises were made." Board of Finance member Moore stated that she would like to see the users assessed 19% of the costs and would like to have the subcommittee continue to work to find a solution for getting new users onto the system and then go to a Town meeting once a plan is in place. She noted that the operational costs are the problem. Resident Litchfield said that there needs to be goals in place for the WPCA. He agreed that there needs to be a gameplan where the Boards of Finance and Selectmen can go back to the WPCA and say "we're willing to help if you do X, Y, Z..."

Board of Finance member Charest stated that the WPCA is a good group of people; but they need help. Some type of professional assistance should be provided to them so that they can get moving forward. There are issues that are complicated – the plant was built because it was mandated by the State and it was built without consideration given to the infrastructure. The issue is more complex than what percentage of the debt the users and non-users should pay.

First Selectman asked rhetorically "is there public support for bonding?" He stated that there has been discussion about line extensions, yet the people in the proposed areas haven't been given a chance to speak on their own behalf. Jerram noted that there are other haulers interested in hauling septage to the plant and that needs to be investigated. The current agreement for septage receiving covers the cost of the USDA loan. Jerram also noted that delinquent accounts cannot be allowed to increase. He said that the WPCA needs to be able to help themselves if they expect that the towns people will be willing to help them, too. They need to stop passing the buck. Chairman Witte agreed, adding that it is time to deal with the WPCA and leave the users out of it.

Chairman Witte presented some facts and figures regarding the impact on taxpayers if the split is modified. He stated that he would like to see support for the users paying 19% of the bill, but that there needs to be time to work out what should be done with the 42% that will be left. Member Fitzgerald agreed that there needs to be consideration of the 42%. Mr. Charest commented that this should be addressed by using some sort of milestones or a sliding scale. Mr. Smith reiterated again that he wanted a definitive answer regarding whether or not the plant was capable of handling additional septage. Discussion continued and it was agreed that Chairman Witte would draft a letter to the WPCA stating some of the concerns that were discussed at this meeting and would ask that the WPCA address them.

Reports:

Bookkeepers Report – Annie Witte:

Bookkeeper Annie Witte addressed the Board with the news that currently there are no concerns regarding revenues. The first ECS installment has been received and deposited. The Tax Collector reports she is on target with collections, currently at 54.5%.

Board member Fitzgerald asked Mrs. Witte where the Recreation Program account information could be found. Mrs. Witte replied that is a separate fund and has nothing to do with the general fund. Fitzgerald asked who 'keeps an eye' on that account. Chairman Witte replied that recreation can generate their own revenues. Mr. Fitzgerald asked if anyone knows what the performance is. First Selectman Jerram replied that beach and camp are the major revenue sources. Mr. Witte then asked "what does the Board of Finance have to do with the recreation account?" He stated that what they generate and spend is overseen by the Recreation Commission. Fitzgerald replied that he would like to see an accounting. Witte stated again that this oversight is provided by the Recreation Commission. First Selectman Jerram replied that there is always room for improvement; offering that he is interested in looking at winter revenue.

Treasurer's Report:

Gordon Ross was not present. Member Smith asked the First Selectman why the Town does not invest in stocks and member Fitzgerald asked if there was an opportunity for the Town to invest in CDs. Member Moore thought that the Board of Finance had previously asked Treasurer Ross to check into investment opportunities, but she was unsure as to whether or not this had transpired. It was agreed that Mr. Ross would be asked to discuss investment opportunities at a future Board of Finance meeting.

First Selectman's Report:

First Selectman Jerram addressed the Board and presented an update on Operations. Highlights include the following:

Paving on Old Steele Road and Stedman Road has been completed.

The unanticipated replacement of a drainage pipe on Richards Road and another large drainage pipe replacement on Loomis Heights will put the drainage line item overbudget.

The Ford F550 truck body is in; it now needs to be outfitted with the extras (sander, lights, etc).

Maple Hollow Bridge Core testing has been completed; waiting for results. Hopefully, this bridge can be repaired without being a major investment.

Carpenter Road Bridge – a public presentation will take place next Thursday night in conjunction with an informational meeting on the School Security project.

The Resident Trooper contract has been modified to reflect only one trooper. The Town will now have an additional constable to fill the void created by the loss of one trooper.

Union Contract negotiations will begin in December/January.

The recent newspaper article that listed New Hartford as one of the towns to have the highest percentage of residents on the SNAP (Food Stamp) program was erroneous. A correction was printed that stated a much lower percentage – 2.5 %, not the original 37% reported.

Member Fitzgerald commented to Mr. Jerram that since the Board of Finance has approved the appropriation of funds for the School Security Project, he wanted to see the project move forward. He also asked about the rental status of the Brodie House and wondered if this loss of revenue had been anticipated. Jerram explained that the Selectmen will need to decide on the future use of this building; noting that ADA upgrades may be costly.

Member Moore asked if there are plans to work on Stedman Road and wondered if that road would be discussed at the informational meeting. Jerram replied that Stedman Road will be a project on its own and that it is a difficult repair.

Member Smith asked when the audit was anticipated to be completed, noting that it seemed to be very late last year.

Other Items to Come Before the Board:

Superintendent of Schools Dr. Philip O'Reilly has informed the Board of Finance of unanticipated Special Education costs. Two students requiring special services will cost an additional \$110,000 . The Board of Education will attempt to cover these costs within their budget.

A formal "thank you" was given to Joe Gareis, departing alternate Board of Finance member, for his service on the Board.

Chairman Witte stated that the Capital Subcommittee will need to meet in preparation for the upcoming budget season.

Member Moore made a request to the Board of Finance that consideration be given to tape record all of the meetings of the Board of Finance. She stated that it would stop a lot of the not remembering regarding prior discussions. Chairman Witte replied stating that it was his understanding that recording of meetings is required for Boards where there may be legal ramifications. It is not intended for "he said, she said." He noted that votes occur on significant issues. Member Smith echoed the response, adding that it is the motions that are legally required to be recorded in the written minutes. Chairman Witte added that anyone is allowed to record the meetings if they want to. Member Moore stated that her recordings are available to anyone who wishes to review them.

MOTION: by Fitzgerald, second Charest to adjourn at 9:22 PM.

Unanimous.

Respectfully Submitted,

Christine Hayward, Administrative Assistant to First Selectman